

ALBERTA

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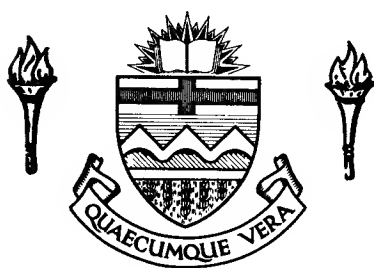
BUDGET
SPEECH

1941-50

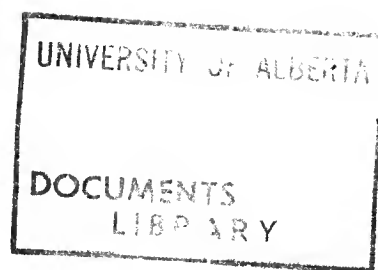
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1941-50



BUDGET SPEECH

OF

THE HON. S. E. LOW

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on March 10th

1941

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF
FINANCIAL AND GENERAL INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

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BUDGET SPEECH

DELIVERED BY

THE HON. S. E. LOW

Treasurer of the Province of Alberta

March 10th, 1941

MR. SPEAKER:

I beg to move that you do now leave the Chair and that the House resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

I feel, Mr. Speaker, that it is essential when tabling the estimated revenue and expenditures for the coming fiscal year, that statements showing the production income from our main industries should be referred to in my address, before dealing with the financial statements of the Province. On previous occasions, and I am reminded that this is the fifth time I have had the privilege of moving this time-honoured motion, I have confined my remarks to a survey of conditions within the Province, and have refrained from referring to conditions generally. However, as we are living in unusual times, I intend to depart from that practice to-day, and will refer briefly to conditions in Canada, particularly as they affect the Prairie Provinces.

Throughout Canada as a whole the war has occasioned a marked increase in business activity. However, the resultant increase in purchasing income has not been in evidence in the agricultural areas of Canada owing to the lack of demand for wheat, our principal grain crop. The national income in 1940 was larger than in any year since 1929, and the past sixteen months have witnessed the greatest increase in industrial employment and production that has ever been recorded in Canada in a similar period. Expansion, of course, was particularly noticeable in Wartime Industries. However, increased output is also in evidence in other industries. The areas in which wartime industries are operating and in which the necessary raw materials are obtainable, are experiencing a decided upturn in employment and income. The Prairie Provinces, however, dependent, as they are, largely upon the income derived from agricultural products, and principally from wheat, have not shown the improvement indicated in the industrial sections of Canada; and we approach a new crop year, not only with the largest carry-over of wheat in the history of this country, but with prices for all grains generally below the cost of production; and in addition, we have the pressing problem of providing additional storage facilities. I do not intend to deal with the wheat situation at length. I do feel, however, that the statistics should be reviewed; and I would like to impress upon the members of this Legislature that a rise or fall in the producers' income is quickly reflected in, not only the estimates which I have tabled, but in every phase of business in this Province. Statements released by the Bureau of Statistics intimate that Canadian wheat supplies as at July 31st, 1941, will approximate five hundred and fifty-one million bushels,—an increase of over two hundred and fifty-one million as compared with the carry-

over on July 31st, 1940; also the world carry-over is given at one thousand, three hundred and thirty-four million bushels. It should also be noted that the Canadian carry-over will be over forty per cent of the total world carry-over. It must be admitted, Mr. Speaker, that the prospect of increased income for agriculture from the production of wheat is anything but encouraging, and both delivery and prices will be determined by the policy adopted by the Dominion Government.

There has been some agricultural improvement, particularly with respect to the increased demand for bacon, cheese and butter. Due to the agreements with the Mother Country, we have an assured market for bacon and cheese, and during the year ended October 31st, 1940, Canada supplied Great Britain with three hundred and twenty-one million pounds of bacon at a fixed price,—the largest quantity of bacon ever exported from this country; and it is anticipated that shipments this year will exceed four hundred and twenty-five million pounds. As a result, the income of Western farmers from hogs has increased from twenty-seven million dollars in 1939 to forty-three million dollars last year. Exports of cheese in the same period totalled ninety million pounds, and will probably exceed one hundred and ten million pounds this year. The demand for butter has also been stimulated within Canada due to increased national income and military requirements. The market for cattle seems assured, due to increased domestic demand and the export outlet to the United States. Alberta producers have met the increased demand for these products with increased production; and as a result, the farm income from these sources in this Province shows a substantial gain. The total value of the production from Alberta farms for the year 1940 is estimated at \$206,260,700, an increase in value of \$20,005,000 over the final figures for the preceding year. I will give you here the figures in detail:

PRODUCTION AND VALUE, AGRICULTURAL PRODUCTS, 1940

	Acreage	Bushels	Yield Per acre	Price	Total Value
Wheat.....	8,667,000	187,000,000	21.6	\$0.48	\$ 89,760,000
Oats.....	2,645,000	103,000,000	38.9	0.18	18,540,000
Barley.....	1,115,000	32,000,000	28.7	0.24	7,680,000
Rye.....	177,000	3,000,000	16.9	0.26	780,000
Flax.....	42,000	425,000	10.1	1.00	425,000
Mixed Grains.....	30,700	833,000	.....	.....	236,000
Total Grain Crops.....	12,676,700 acres,	326,258,000 bushels			\$117,421,000
Root and Fodder Crops....	1,562,000 acres				16,313,000
Dairy Products.....					19,508,300
Live Stock and Poultry					53,018,400
					<u>\$206,260,700</u>

The value of the wheat crop, notwithstanding the lower price, exceeded that of the previous year by about six million dollars. Dairy products showed a total increase in value of one million, five hundred thousand dollars, while live stock marketed yielded nine million dollars more than in 1939.

BEET SUGAR INDUSTRY

This industry recorded another successful year. The 23,800 acres under crop showed an increase of 2,300 acres over 1939. The crop averaged fourteen tons of beets per acre, a total yield of 336,281 tons,—an increase of around seventy-two thousand tons over the year 1939. The growers received an initial payment of \$5.50 per ton; and it is anticipated that

when the final payment is made, the growers will have received about \$7.00 a ton, giving them a total gross income of over two million dollars. The processed beets yielded 93,466,400 pounds of sugar, 95,000 tons of pulp and 7,558 tons of betallasses, the estimated value of these by-products being 45c a ton and \$9.50 a ton respectively. The number of growers engaged in this industry was 1,170; and the two plants operating at Raymond and Picture Butte are of increasing importance to the economy of this Province, and in particular to the areas adjacent to the plants, where the number of live stock fed each season is growing greater.

NATURAL RESOURCES

The development of our Natural Resources, I think you will agree, is still in its infancy; and each year it is most gratifying to note the expanding production, particularly with respect to petroleum. The Government has encouraged the development of the known oil-producing areas, and also it has encouraged drilling in areas where it is hoped to bring in new producing wells. Petroleum is becoming increasingly important to the British Empire. It is of interest to note that while the Empire produced 2.46 per cent of the world's oil supply, Canada produced 16.2 per cent of the Empire's total, and this Province produced 99.33 per cent of the production in Canada. I am, therefore, pleased to report that the number of wells drilled in 1940 totalled 102 as compared with 101 the previous year. Of these, fifty-nine were drilled in Turner Valley, and forty-three in other areas, of which thirteen were in the Vermilion-Lloydminster Area. The production from all areas totalled 8,493,237 barrels, valued at \$10,504,669, an increase of 898,826 barrels and \$1,215,089 in value, as compared with the calendar year 1939. Natural gas consumed was valued at \$1,056,089, an increase of \$124,000. Coal mined aggregated 6,205,088 tons worth \$16,334,323, an increase in value of \$1,879,000. The salt plant at Waterways produced 8,523 tons, valued at \$85,238, as compared with 3,321 tons for 1939. The production capacity of the plant is now approximately one thousand tons a month. Lumbering added to the income from our natural resources the sum of \$2,531,703, a decrease in dollar value of over one hundred thousand. The value of all products from these Resources totalled \$30,512,022, as compared with \$27,347,240, a gain of \$3,164,782.

I will now refer to the most important of the financial undertakings of the Government which are shown in the Public Accounts under the heading of Contingent Liabilities.

LIVE STOCK FEEDERS' ASSOCIATIONS

The Feeders Associations Guarantee Act which was passed at the 1937 session by this Government provided assistance by way of guarantee to Feeder Associations to enable their members to acquire live stock and finish them for market. The maximum borrowing by an Association cannot exceed one hundred thousand dollars and the liability of the Government under its guarantee is limited to twenty-five per cent of the aggregate amount borrowed. Twelve Associations with a membership of 464 were assisted with guarantees by the Government; and loans at December 31st, 1940 totalled \$878,638.52. Fifteen thousand, eight hundred and ninety-five cattle and thirty-seven thousand, three hundred and sixty-nine sheep were purchased, and the operations of the present season are yielding a satisfactory profit to the Feeders. Three of these Associations were financed under The Treasury Branches Act and the remainder by loans from Chartered Banks. Each year the loans have been fully repaid without loss to the Province; and I fully anticipate similar results this year.

THE MUNICIPAL IMPROVEMENTS ASSISTANCE ACT

I referred last year to the loans made to Municipal Authorities by the Dominion Government under the above Act. Loans approved by the Dominion Authorities and guaranteed by the Province totalled \$905,388.58. With one exception, the projects have now been completed, and the proceeds of the loans have been disbursed to the Municipalities. The actual amount disbursed to date totals \$886,160.85, and the loans outstanding amount to \$866,267.89. All instalments due by the Municipalities have been paid. You will note in the accounts of the Province that the contingent liabilities have increased a corresponding amount. The Government was pleased to co-operate in order that the Municipalities could secure loans from the Dominion Government at low interest rates for self-liquidating projects. The Dominion Government has advised that further applications cannot be considered owing to the necessity of conserving its financial resources and also because of the need of avoiding competition with the war programme for materials and skilled labour.

THE ALBERTA CO-OPERATIVE RURAL CREDIT ACT

As a complete report covering the operations of the Co-operative Rural Credit Societies has been tabled, I shall refer only briefly to the results of the year.

Loans outstanding to members of the Societies included in the Alberta Rural Credit Corporation as at December 31st, 1940, totalled \$1,325,642, as compared with \$1,350,927 as at December 31st, 1939. During the period ended December 31st, 1940, new loans amounted to \$41,505, and repayments by members totalled \$74,113. Interest was added to the accounts in the amount of \$80,430.

The Province paid under its guarantee \$73,106 on loans classified as doubtful or definitely uncollectible.

Twelve Societies with a total indebtedness of \$433,430.98 are located in the Special Areas, so that substantial losses must be expected.

During the period from July 1st, 1931 to December 31st, 1940, the Province has provided payment of \$664,993 under its guarantee in connection with societies operating under the Alberta Rural Credit Corporation. Recoveries from borrowers total \$44,985, of which \$5,982 was obtained during the year. The Alberta Rural Credit Corporation has paid to the Provincial Treasurer the sum of \$261,776 on principal and a further amount of \$10,403 on interest, a total of \$272,179. These recoveries and payments from the reserves of the Corporation have reduced the amount provided by the Province as at December 31st, 1940 to \$402,557. Societies that were placed in liquidation in 1931 had total loans outstanding as at December 31st, 1940 of \$285,915. Total recoveries from all sources amount to \$56,510. During the calendar year an amount of \$101,026 was written off by Order in Council. Provision is made in the estimates tabled for a further amount of \$75,000 for the purpose of implementing the Government's guarantee with respect to loans which are considered uncollectible or which have been adjusted under The Farmers' Creditors Arrangement Act. Until higher prices for grain crops are realized, we cannot hope for substantial reductions on this account.

The Capital and Reserve Fund of the Alberta Rural Credit Corporation amounted to \$338,551.41 as at December 31st, 1940; the paid-up capital amounting to \$315,370.84 and the Reserve Fund, \$23,180.57. The Capital and Reserve Funds provide a reserve against the outstanding loans of \$1,325,642.52. The Reserve Fund is utilized to reimburse the Treasury for payments made by the Government under its guarantee.

SUGAR BEET SOCIETIES

During the year ended December 31st, 1940, loans were granted to members of Sugar Beet Societies totalling \$78,652. All borrowings were repaid in full as at December 31st, 1940.

THE CO-OPERATIVE MARKETING ASSOCIATIONS GUARANTEE ACT

The liability of the Government under its guarantee with respect to various Co-operative Marketing Associations totalled \$169,028.13 as at December 31st, 1940, as compared with \$185,084.33 on March 31st, 1940—a net reduction during the period of \$16,056.20. Guarantees of \$3,150 to assist two Co-operative Seed Growers Associations in establishing seed cleaning plants have been approved, and the loans are pending completion. We consider the liability of the Government under its guarantees fully secured.

LOANS AND GUARANTEES TO MUNICIPAL, IMPROVEMENT AND SCHOOL DISTRICTS

During the calendar year 1940 guarantees aggregating \$540,046.87 were furnished to School and Municipal Districts, and direct loans from the Treasury amounted to \$69,788.52. Guarantees to School Districts and Divisions totalled \$4,550. Since 1931 the Government has assisted these authorities by furnishing guarantees or direct loans to the amount of \$2,859,157.93; and the sum of \$750,451.30 is outstanding, consisting of \$320,247.87 carried by various Banks under the guarantee of the Province, and \$430,203.43 due the Province. The position of these loans and guarantees is, I feel, reasonably satisfactory, when it is realized that a large portion of the outstanding loans due the Province pertain to areas which suffered from drought conditions for a number of consecutive years. Without the assistance afforded by the Government, the essential services, such as education, could not have been carried on in these districts.

AGRICULTURAL RELIEF

It is indeed gratifying to report, Mr. Speaker, that owing to favourable crop conditions throughout the Province in 1939, the Government was only required to furnish agricultural relief advances to the amount of \$736.45 during 1940, and the balance unpaid as at December 31st, 1940 only amounted to \$500.51. The position of advances made in previous years as at December 31st, 1940, is as follows:

	Original Amount	Balance Unpaid Dec. 31, 1940
1936 Advances:		
Special Areas.....	\$ 86,908.49	\$ 73,267.65
Semi-arid Districts.....	29,675.33	17,825.84
Balance of Province.....	712,768.41	80,200.08
	<u>\$ 829,352.23</u>	<u>\$171,293.57</u>

**1937 Guaranteed Advances,
Dominion Government and Province:**

Special Areas.....	\$ 331,899.79	\$217,790.79
Semi-arid Districts.....	302,248.39	146,656.55
Balance of Province.....	690,400.43	88,085.26
	<u>\$ 1,324,548.61</u>	<u>\$452,532.60</u>

**1938 Guaranteed Advances,
Dominion Government and Province:**

Special Areas.....	\$ 584,181.45	\$491,336.96
Semi-arid Districts.....	491,952.26	305,456.37
Balance of Province.....	317,382.57	81,475.99
	<u>\$ 1,393,516.28</u>	<u>\$878,269.32</u>

1939 Advances—Province:

Province.....	\$86,216.05	\$ 23,197.27
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1940 Advances—Province:

Province.....	\$ 736.45	\$ 500.51
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Total advances and guarantees during the years 1936 to 1940 (inclusive) amounted to \$3,634,369.62; repayments, \$2,108,576.35, and the amount outstanding and unpaid as at December 31st, 1940, totalled \$1,525,793.27. Over fifty per cent of the outstanding represents assistance given to farmers residing in the Special Areas, and thirty-one per cent of the total to farmers located in the semi-arid districts.

With respect to the advances made in the year 1937, under the guarantee of both the Dominion Government and the Province, the arrangements provided that the Banks would carry the loans for a period of three years from the date the loan was made. I am glad to say, Mr. Speaker, that the Province was in a position to take up the unpaid balance which totalled \$519,098.13, and thereby relieved the Dominion Government of any liability under its guarantee. The amount outstanding on these loans, you will note, was since reduced to \$452,532.60 as at December 31st, 1940.

THE ALBERTA HAIL INSURANCE BOARD

The Alberta Hail Insurance Board has now completed operations covering three complete crop years.

During the 1940 crop year 10,377 applications for insurance were accepted covering 1,696,635 acres and involving a total risk of \$7,398,091.58. The premiums payable on the policies issued totalled \$670,920.24, of which 97.8% have been paid, a total of \$651,994.96. Collection of the unpaid premiums is anticipated from further wheat deliveries under quota regulations and when threshing is completed in certain districts. I consider this a most remarkable showing.

During the year the Board dealt with 1,871 claims for damage by hail, and awards totalling \$468,838.07 were made. On November 1st, 1940, payments amounting to \$285,663.89 were made to insured, and final payments aggregating \$183,174.18 were made on March 1st in accordance with the terms of the Act.

Claims in all areas were paid one hundred per cent of the coverage, and after providing for all expenses, the sum of \$54,581.90 will be transferred to the Reserve Fund, bringing the total of that Fund up to \$504,940.12.

As you will recall, the new hail insurance plan was instituted in an attempt to provide crop protection against hail damage at the lowest possible cost without involving the Province, as in the case of the former Municipal Hail Insurance Board. I am very pleased, Mr. Speaker, to state that the farmers of the Province have shown splendid support of the new scheme, and that the affairs of the Board as revealed in their reports are in a healthy condition.

CIVIL SERVANTS

You will note from the estimates that the Government has decided to restore the remainder of the so-called voluntary deductions made from salaries of the civil servants. Since 1931, by arrangement, deductions were made from salaries as a contribution towards the expenditures for unemployment relief. In the fiscal year 1938-39, the greater portion of these deductions were discontinued, and now since the original purpose for the deductions has largely been removed, it is only fair that the practice be discontinued completely. The amount involved in restoring the deductions now in effect will amount to approximately \$53,000. I might mention that, since the inauguration of the deduction plan in 1931, the contributions to March 31st, 1941 from government employees including those of the Liquor Control Board, the Telephones Branch, the University and the University Hospital will aggregate the very substantial sum of \$2,612,236. I am sure that no member of this Assembly will disagree with the Government's decision to end the plan this year in view of the unselfish attitude of the Civil Service as a whole since they were asked to bear this extra impost in 1931.

I should also like to record that up to the end of February of this year, 307 employees of the Government and Government Boards have enlisted for active service in His Majesty's Forces. Thus they are shouldering in a fine share of the responsibility of the defence of the Empire and the guarantee of the democratic mode of life.

I will now turn to a review of the main accounts of the Province for the fiscal year ended March 31st, 1940.

PUBLIC ACCOUNTS, 1939-40

The Public Accounts have been already furnished the Honourable Members of this Assembly; and it is unnecessary for me at this time to deal with the reports in detail. In my budget address last year I stated that the final figures for the year ending March 31st, 1940 would show an improvement over the estimates; and I am gratified that the final statements for the year bore out my forecast. A net overall surplus of \$336,551.31 was realized, and it should be remembered that this is arrived at after providing for all ordinary capital expenditures, unemployment relief and certain statutory payments, excluding debt retirement. Debt Retirement to the extent of \$6,418,415.76, principally the redemption of bank loans amounting to \$5,700,000, was possible as, in addition to this surplus, we received \$5,580,000 as the final instalment of the sale price of our railways.

Revenue from ordinary sources exceeded our estimates by the amount of \$1,772,889.47. Expenditures on ordinary services were \$273,638.96 in excess of our estimates, principally due to the election expenses, which were mostly paid within the fiscal year, and net relief expenditures exceeded our estimates by \$208,969.49. I would also direct your attention to

Statement No. 6, Page 52 of the Public Accounts, which shows the sources and disposition of funds, Capital and Income Accounts. You will note the undermentioned redemption of debt payments were made during the year:

Bank Loans.....	\$5,700,000.00
Savings Certificates, net.....	665,964.16
Treasury Bills, Dominion Government.....	38,198.00
Registered Stock, etc.....	14,253.60
	<u>\$6,418,415.76</u>

The final results for the past four fiscal years will, I think, be of interest, and are as follows:

	Year ended Mar. 31, 1937	Year ended Mar. 31, 1938	Year ended Mar. 31, 1939	Year ended Mar. 31, 1940
Surplus, Income Aect.....	\$ 77,852.89	\$2,768,066.08	\$3,027,191.92	\$2,487,850.50
Net Capital Expenditure..	1,717,419.97	1,684,571.65	1,660,774.78	2,151,299.19
Overall Surplus or Deficit	<u>\$1,639,567.08</u> Deficit	<u>\$1,083,494.43</u> Surplus	<u>\$1,366,417.14</u> Surplus	<u>\$ 336,551.31</u> Surplus

In arriving at these final results, the following net expenditures for unemployment relief were made:

	Year ended Mar. 31, 1937	Year ended Mar. 31, 1938	Year ended Mar. 31, 1939	Year ended Mar. 31, 1940
Net Expenditures, Unemployment Relief.....	\$2,618,124.20	\$2,059,783.80	\$1,427,626.10	\$1,844,319.40

I think, Mr. Speaker, that these figures speak for themselves.

FUNDED AND UNFUNDED DEBT

The net funded and unfunded debt of the Province as at March 31st, 1940 totalled \$147,940,221, as compared with \$154,994,752 at the end of March, 1939, a decrease of \$7,054,531; and this reduction is chiefly accounted for by the payments to which I have just referred in dealing with the expenditures for the year. I feel this statement is of the utmost importance to this Assembly and to the public generally; and I shall give you for comparative purposes the position for the past fiscal years ended March 31st, 1936, 1939 and 1940; also the totals of the net funded and unfunded debt including indirect liabilities for the same periods:

FUNDED AND UNFUNDED DEBT

	Year ended Mar. 31, 1936	Year ended Mar. 31, 1939	Year ended Mar. 31, 1940
Net Funded and Unfunded Debt.....	\$158,081,350	\$154,994,752	\$147,940,221
A net decrease, Mr. Speaker, of \$10,141,129			

NET FUNDED AND UNFUNDED DEBT AND INDIRECT LIABILITIES

	Year ended Mar. 31, 1936	Year ended Mar. 31, 1939	Year ended Mar. 31, 1940
Net Funded and Unfunded Debt and Indirect Liabilities.....	\$166,635,696	\$164,119,883	\$157,193,450
A net decrease of \$9,442,246			

The contingent or indirect liabilities as at March 31st, 1940 include guarantees of loans to Municipalities and Cities under The Municipal Improvements Assistance Act totalling \$672,086; advances under The Agricultural Relief Act amounting to \$1,481,735; and loans to Live Stock Feeders Associations of \$171,090. Details of these indirect liabilities are shown on Statement No. 23 of the Public Accounts and are essentially important when analyzing the debt position of the Province. For this reason I feel justified in dealing with the debt position more exhaustively than I have done in my previous reports to the House.

INTERIM STATEMENTS FOR PRESENT FISCAL YEAR, 1940-41

The interim cash statement for the nine months' period of the present fiscal year has been tabled, and detailed information regarding receipts and expenditures are furnished in that report. The cash receipts on Income Account for the period totalled \$17,858,848.87, an increase of \$238,779.88 over the same period last year. Cash payments total \$14,453,298.18, an increase of \$516,733.66. Expenditures for unemployment relief totalled \$994,470.95, a decrease of \$695,935.71, compared with the same period in 1939. The net capital expenditures amounted to \$2,118,743.47, a decrease of \$328,838.87. It should be noted that the payments include the sum of \$519,000 required to implement the Province's guarantee with respect to advances for agricultural relief made in 1937, and to which I have already referred when reviewing the position of the advances for agricultural relief. I should also mention that this payment was not provided for in the estimates for the current year. The cash surplus for the period on all accounts was \$292,336.27 as against a deficit of \$454,484.53 for the same period of the previous year.

I am confident, Mr. Speaker, that the final figures for the present fiscal year ending March 31st, 1941 will show a decided improvement over the original estimate tabled, notwithstanding the expenditure of over \$500,000 charged to Capital with regard to the implementation of our guarantee in connection with agricultural relief advances made in 1937.

PUBLIC DEBT, DECEMBER 31st, 1940

The statement of Public Debt as at December 31st, 1940, requires little comment. The net funded debt stood at \$142,408,541.89, a decrease of \$462,576.92 as compared with the debt on March 31st, 1940. The net unfunded debt of \$5,918,872.14 should be added, making the total net funded and unfunded debt \$148,327,414.03, a net increase of \$442,260 over the total on March 31st, 1940. The decrease in the net funded debt is accounted for by an increase of \$442,413.91 in sinking funds and by the purchase and cancellation of Alberta Registered Stock due November 1st, 1943, to the amount of \$17,163.01 and a payment of \$23,000 on Treasury Bills issued to the Dominion Government in connection with advances for agricultural relief prior to 1937. There was a reduction in the unfunded debt mainly due to the redemption of savings certificates totalling \$406,858.81 during the nine months' period; but on the other hand, cash and investments decreased by \$1,294,649.67, which accounts for the increase in our net debt position.

ESTIMATES OF REVENUE AND EXPENDITURE, FOR THE FISCAL YEAR ENDING MARCH 31, 1942

I would now direct the attention of the members of this House to the estimates for the ensuing fiscal year ending March 31st, 1942, copies of which have been tabled.

At the outset let me assure this Assembly that the Government is fully cognizant of the uncertainty which clouds the future. Earlier in my address I pointed out that although government spending for war purposes had stimulated business in Canada generally, the increase in national income was more apparent in the industrial sections of Canada than in the Prairie Provinces. We should not disregard the fact that the well-being of our economy is largely dependent upon the value of our agricultural production; and as I mentioned before, both the price and marketing of the coming crop will be determined by the policy adopted by the Dominion Government. The rise or fall in producers' income quickly causes an increase or shrinkage in our revenues. We also realize that non-essential expenditures should be restricted and expenditures on capital account should be deferred wherever possible in order that the full resources of Canada should be available for the prosecution of the war, which must be won if we are to maintain our free way of life and democratic form of Government. The budget that I am presenting to you to-day is based on these underlying conditions. We have provided for what we consider essential services,—health, education and the preservation of our investments in highways and public institutions. I fully realize that any budget is open to criticism, and so far as I am aware, there is no record of a perfect budget. It has been aptly said, "That happy is the lot of a Treasurer who finds that he has underestimated his revenue and also overestimated his expenditure."

The estimates presented to you indicate the resolve of this Government to keep its expenditure within the reasonable estimated revenue. The total budgetary requirements for the ensuing fiscal year ending March 31st, 1942, are estimated as follows:

Estimated Revenue, Income Account.....	\$19,808,477.50
Estimated Receipts, Capital Account.....	854,106.91
Total Estimated Receipts, Income and Capital.....	<u>\$20,662,584.41</u>
Estimated Ordinary Expenditures, Income Account.....	\$16,230,366.58
Estimated Payments, Capital Account.....	2,241,540.33
Net Statutory Payments.....	626,025.00
Total Ordinary, Capital and Statutory Payments.....	<u>\$19,097,931.91</u>
Estimated Surplus before providing for Unemployment Relief.....	\$ 1,564,652.50
Estimated Expenditures, Unemployment Relief and Youth Training Programme.....	1,553,382.50
Estimated Overall Surplus.....	<u>\$ 11,270.00</u>

REVENUE—INCOME ACCOUNT 1941-42

Revenue on Income Account for the ensuing fiscal year ending March 31, 1942, is estimated at \$19,808,477.50 as compared with \$19,525,590.00 for the present fiscal year, an estimated increase of \$282,887.50.

The estimated revenue by Departments is as follows; and for purposes of comparison I shall give you the figures for the present year:

REVENUE—INCOME ACCOUNT

	*Estimated 1940/41	Estimated 1941/42	Increase	Decrease
Dominion of Canada.....	\$ 1,787,475.00	\$ 1,787,475.00	.....	.....
Agriculture Dept.....	139,760.00	123,075.00	.....	\$ 16,685.00
Agriculture Dept. (Water Resources).....	1,000.00	1,000.00	.....	.....
Att. General's Dept.....	792,800.00	832,975.00	\$ 40,175.00	.....
Education Dept.....	237,900.00	235,150.00	.....	2,750.00
Executive Council.....	43,200.00	43,200.00	.....	.....
Legislation.....	1,035.00	10,027.50	8,992.50	.....
Mun. Affairs Dept.....	1,498,600.00	1,371,000.00	.....	127,600.00
Prov. Secy's Dept.....	6,570,525.00	6,738,605.00	168,080.00	.....
Public Health Dept.....	366,575.00	389,380.00	22,805.00	.....
Public Works Dept.....	999,670.00	1,070,495.00	70,825.00	.....
Trade and Ind. Dept.....	116,950.00	116,800.00	.....	150.00
Treasury Department.....	4,968,225.00	4,940,225.00	.....	28,000.00
Lands and Mines Dept....	2,001,875.00	2,149,070.00	147,195.00	.....
Total Estimated				
Revenue, Income Acct.	\$19,525,590.00	\$19,808,477.50	\$458,072.50	\$175,185.00

Net Increase, \$282,887.50

*Adjusted by transfers between Departments to conform with 1941-1942 Estimates.

In arriving at the total estimated revenue, no increase in taxation is contemplated, and the amount anticipated is one which I consider we may reasonably hope to obtain, based on the present rates of taxation and on the assumption that the level of agricultural income will, at least, be maintained throughout the ensuing year. Estimated revenue of the Municipal Affairs Department indicates a decrease of \$127,600, chiefly accounted for by an expected decrease of \$93,000 in social service and mineral tax receipts. In Lands and Mines we have estimated an increase of \$147,195. Increased revenue is anticipated from timber dues and rentals to an amount of \$225,000, offset by a decrease of \$100,000 in receipts from interest on land sales. With these exceptions, the estimated revenue is in line with the estimated revenue for the present fiscal year.

EXPENDITURE—INCOME ACCOUNT 1941-42

Total expenditure on Income Account including expenditures for Unemployment Relief and Dominion-Provincial Youth Training are estimated at \$17,783,749.08, a decrease of \$590,387.77 as compared with the estimates for the present year. The figures by Departments are as follows:

EXPENDITURE—INCOME ACCOUNT

	*Estimates 1940/41	Estimates 1941/42	Increase	Decrease
Public Debt (Int. and Other Charges).....	\$ 3,971,022.50	\$ 3,878,637.50	.....	\$92,385.00
Executive Council.....	274,900.00	218,550.00	.....	56,350.00
Legislation.....	249,455.00	274,985.00	\$ 25,530.00	.....
Agriculture Dept.....	467,339.32	421,931.74	.....	45,407.58
Agriculture Dept. (Water Resources).....	47,755.10	51,405.10	3,650.00	.....
Att. General's Dept.....	730,815.00	722,992.50	.....	7,822.50
Education Dept.....	3,002,905.00	3,082,430.00	79,525.00	.....
Mun. Affairs Dept.....	216,420.00	217,740.00	1,320.00	.....
Prov. Secy's Dept.....	135,139.34	177,709.34	42,570.00	.....
Public Health Dept.....	2,105,949.85	2,125,580.91	19,631.06	.....
Public Works Dept.....	2,686,960.50	2,582,035.25	.....	104,925.25
Railways Branch.....	4,650.00	4,650.00	.....	.....
Treasury Dept.....	1,746,703.24	1,657,390.24	.....	89,313.00
Lands and Mines Dept.....	662,387.00	604,254.00	.....	58,133.00
Trade and Ind. Dept.....	203,455.00	210,075.00	6,620.00	.....
Total Ordinary Expenditure.....	\$16,505,856.85	\$16,230,366.58	\$178,846.06	\$454,336.33
Unemployment Relief.....	1,743,880.00	1,474,407.50	.....	269,472.50
Dom.-Provincial Youth Training Programme.....	124,400.00	78,975.00	.....	45,425.00
Total Estimated Expenditure.....	\$18,374,136.85	\$17,783,749.08	\$178,846.06	\$769,233.83

Net Decrease Expenditure Income, \$590,387.77

*Adjusted by transfers between Departments to conform with 1941-42 Estimates.

You will note in the statement of Expenditures on Income Account that the ordinary expenditures of the Government are estimated at \$16,230,366.58. Decreases in various Departments total \$454,336.33, and offsetting increases appear totalling \$178,846.06. Under Legislation an increase of \$25,530 is mainly accounted for by the inclusion of \$21,000 for the revision of the Provincial Statutes, which, I may say, is long past due, and partly offset by \$9,000 included in the revenue section. The increase of \$79,525 in estimated expenditures for the Department of Education includes an increase of \$22,000 in the grant to the University of Alberta, and \$74,350 increase in grants to schools. The Provincial Secretary's Department's increase of \$42,570 is mainly accounted for by an increased appropriation of \$45,000 with respect to the change in connection with the Fuel Oil Tax. The total appropriation for the Public Works Department shows a decrease of \$104,925, of which \$46,650 is due to a decrease in the amount provided for maintenance of bridges. The sum of \$774,500 is included for maintenance of main highways as compared with \$800,000 for the present year. The amount provided is the minimum if we are to maintain our present standard of highways.

In our effort to economize further, we have provided for the closing of the Vermilion Agricultural School at the end of the present term, with a resultant saving in operating cost under the Department of Agriculture and in the Public Works Department under Maintenance. The building will be available to the Dominion Government, if required for war purposes. Other increases or decreases in the ordinary expenditure section are relatively of minor character, and the details are before you.

The expenditure for unemployment relief is estimated at \$1,474,407.50, a decrease of \$269,472.50 as compared with the sum provided in the estimates for the present year. During the current fiscal year, the Dominion and Province each assumed forty per cent. of the cost, the Municipal Authorities providing the remainder, namely twenty per cent. As you are aware, the grant from the Dominion Government will be discontinued from April first next; and the Province has announced that it will assume eighty per cent of the cost, thereby relieving the Municipalities of any increase in the percentage they now bear. While it is generally recognized the unemployment costs are a national responsibility rather than provincial or municipal, we feel that the cost should not be increased to the Municipalities.

In assuming the burden of relief costs previously carried by the Federal Government, we have taken on an additional financial responsibility that will cost us at the present rate in excess of six hundred thousand dollars for the next fiscal year. We are glad to relieve the Federal Government of this burden as part of our Provincial war effort. I feel sure that with the full co-operation of the Municipalities we can finance it and that no deserving citizen will suffer. If at any time during the next twelve months we find that the Municipalities are not co-operating, we reserve the right to alter the percentage of relief costs we will pay.

The figure shown for the Dominion and Provincial Youth Training Programme is the net amount after deducting reimbursements from the Dominion Government. You will note that this activity has been extended to include a special course of training for war services. In Calgary, the Technical School has been turned over to the Dominion Authorities for training purposes, and other premises were secured by the Province to carry on the Technical School. At Camrose the Normal School is being utilized by the Military Authorities and we are co-operating in every way possible with the Dominion Government in carrying on whatever training services they propose in this Province.

RECEIPTS—CAPITAL ACCOUNT

	Estimates 1940/41	Estimates 1941/42	Increase	Decrease
Executive Council.....	\$422,000.00	\$447,000.00	\$25,000.00	.....
Agriculture Dept.....	5,000.00	4,000.00	.....	1,000.00
Agriculture Dept. (Water Resources).....	231,276.83	212,156.91	.....	19,119.92
Education Department.....	1,100.00	1,100.00	.....	.....
Municipal Affairs Dept.....	61,000.00	66,250.00	5,250.00	.....
Public Works Dept.....	3,300.00	5,600.00	2,300.00	.....
Treasury Department.....	40,600.00	63,600.00	23,000.00	.....
Lands and Mines Dept.....	8,000.00	9,000.00	1,000.00	.....
	<u>\$772,276.83</u>	<u>\$808,706.91</u>	<u>\$56,550.00</u>	<u>\$20,119.92</u>
Agricultural Relief.....	45,600.00	45,400.00	.....	200.00
	<u>\$817,876.83</u>	<u>\$854,106.91</u>	<u>\$56,550.00</u>	<u>\$20,319.92</u>

Net increase, \$36,230.08

A net increase of \$36,230.08 over the sum estimated for the present year.

PAYMENTS—CAPITAL ACCOUNT

	Estimates 1940/41	Estimates 1941/42	Increase	Decrease
Executive Council.....	\$ 214,000.00	\$ 215,000.00	\$1,000.00	.....
Agriculture Dept.....	27,000.00	28,925.00	1,925.00	.....
Agriculture Dept (Water Resources).....	488,369.18	489,107.33	738.15	.....
Lands and Mines Dept.....	35,000.00	35,000.00	.....	.....
Municipal Affairs Dept.....	25,000.00	12,500.00	.....	12,500.00
Public Works Dept.....	1,429,712.00	1,297,713.00	.....	131,999.00
Treasury Department.....	173,900.00	122,500.00	.....	51,400.00
	<u>\$2,392,981.18</u>	<u>\$2,200,745.33</u>	<u>\$3,663.15</u>	<u>\$195,899.00</u>
Agricultural Relief.....	78,985.00	40,795.00	.....	38,190.00
	<u>\$2,471,966.18</u>	<u>\$2,241,540.33</u>	<u>\$3,663.15</u>	<u>\$234,089.00</u>

Net Decrease, \$230,425.85

A net decrease of \$230,425.85 as compared with the estimated payments on Capital Account for the present fiscal year. You will note in the detailed estimates that the amount provided for Main Highways has been reduced by \$200,000. This amount, however, is partially offset by an increase in the appropriation for District Roads. We feel that the sums provided are the minimum for the year if we are to protect and complete the surfacing of our Main Highways; and I might add that unless these roads are kept up, we will assuredly sustain a loss in revenue from the motorists. The amount provided for public buildings of \$193,000 shows a reduction of \$37,000, and \$180,000 of the appropriation is required to complete the new unit at the Oliver Institute, the construction of which was commenced last summer. We consider that it would be false economy at this time to reduce this expenditure further.

STATUTORY PAYMENTS

The net statutory payments of \$626,025 are authorized by the various statutes of the Province, and do not require in the ordinary way to be voted. However, we have adopted the practice of including the net estimated amount required in order that the total requirements of the budget may be complete as far as it is possible. There is practically no change in the sum required, and you will note we have provided a further sum of \$500,000 for the redemption of savings certificates, which, of course, represents a reduction in the Public Debt.

ALBERTA GOVERNMENT TELEPHONES

The estimated receipts and expenditures of the Telephones Department are separate from the estimates for the Province. The revenue of this utility is estimated at \$2,772,000—an increase of \$105,000 over the estimated revenue for the present year. After providing for the ordinary operation and maintenance charges, including interest on the capital debt at the present reduced rates of interest, it is estimated that \$650,000 will be available for the replacement reserve fund, and \$175,000 for construction on Capital Account.

In conclusion, Mr. Speaker, I desire to reaffirm the policy of this Government with respect to the debenture debt of the Province. We intend to continue our efforts to effect an equitable plan of refunding, and in the meantime we shall continue to provide funds to meet the interest at the reduced rates in effect from June 1st, 1936. I take this opportunity of assuring this House and the public generally that the funds necessary to pay the interest are being provided in the usual way; they are separate from the general revenue fund of the Province, and have not been used for any other purpose of Government.

Let me also add, Mr. Speaker, that this Government is anxious and ready to co-operate with the Dominion Government and the other provinces of Canada in any undertaking which will render more effective and complete the Canadian war effort, to the end that the Empire of which we form a part may be preserved and that man's free agency as embodied in Democracy may not perish from the earth.

BUDGET SPEECH OF

GOVERNMENT OF THE PROVINCE OF ALBERTA
STATEMENT OF BONDED DEBT AND TREASURY BILLS AS AT DECEMBER 31, 1940

Date of Issue		Date of Maturity	Amount	Original Interest Rate	Reduced Interest Rate (a)	Where Payable	Denominations	General Revenue	Telephones
Debentures Past Due:									
Nov. 1, 1921	Apr. 1, 1936		\$ 2,846,000.00	6%	3%	M. T. E.	\$500.00; \$1,000.00	\$ 888,000.00	
Apr. 1, 1921	Nov. 1, 1936		1,109,000.00	6%	3%	M. T. E.	\$500.00; \$1,000.00	886,500.00	\$ 1,958,000.00
June 1, 1931	June 1, 1937		1,650,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V., N. Y.	\$1,000.00	1,650,000.00	222,500.00
June 1, 1938	June 1, 1938		2,000,200.00	4%	2 1/4%	M. T. E., N. Y.	\$100.00		2,000,200.00
Jan. 1, 1919	Jan. 1, 1939		1,000,000.00	5 1/2%	2 1/4%	M. T. E., N. Y.	\$100.00; \$500.00; \$1,000.00	1,000,000.00	
Jan. 15, 1939	Jan. 15, 1939		2,500,000.00	5%	2 1/4%	M. T. E., N. Y.	\$100.00; \$500.00; \$1,000.00	2,500,000.00	
Jan. 15, 1924	Jan. 1, 1939		750,000.00	5%	2 1/4%	M. T. E.	\$250,000.00	750,000.00	
Sept. 1, 1924	Sept. 1, 1939		250,000.00	5%	2 1/4%	M. T. E., W. C. V.	\$500.00; \$1,000.00	250,000.00	
Feb. 15, 1924	Feb. 15, 1940		2,000,000.00	5%	2 1/4%	M. T. E., W. C. V.	\$500.00; \$1,000.00	2,000,000.00	
Feb. 15, 1925	Feb. 15, 1940		750,000.00	5%	2 1/4%	M. T. E., W. C. V.	\$1,000.00	750,000.00	
			\$14,855,200.00					\$ 10,674,500.00	\$ 4,180,700.00
Debentures and Stock Not Due:									
July 15, 1926	July 15, 1941		750,000.00	4 1/2%	2 1/4%	M. T. E., N. Y., L.	\$1,000.00	\$ 750,000.00	
Sept. 1, 1921	Sept. 1, 1941		2,250,000.00	6%	3%	M. T. E.	\$500.00; \$1,000.00	\$ 2,250,000.00	
Oct. 1, 1921	Oct. 1, 1941		1,800,000.00	6%	3%	M. T. E.	\$230.68; \$1,000.00	\$500.00	\$ 1,800,000.00
Oct. 1, 1921	Oct. 1, 1941		1,053,230.68	6%	3%	M. T. E.	\$1,000.00	\$230.68	1,053,230.68
Dec. 1, 1921	Dec. 1, 1941		700,000.00	6%	3%	M. T. E., N. Y.	\$1,000.00	420,000.00	
Jan. 1, 1927	Jan. 1, 1942		1,250,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V., N. Y.	\$1,000.00	1,250,000.00	
July 1, 1927	July 1, 1942		150,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V., N. Y.	\$1,000.00	150,000.00	
Sept. 15, 1922	Sept. 15, 1942		2,948,000.00	5%	2 1/4%	M. T. E., N. Y.	\$1,000.00	2,948,000.00	
Nov. 1, 1912	Nov. 1, 1942		35,808.07	4%	2%	M. T. E., N. Y.	\$1,000.00	35,808.07	2,918,975.59
Nov. 1, 1912	Nov. 1, 1942		2,000,000.00	5%	2 1/4%	M. T. E., N. Y.	\$1,000.00	2,000,000.00	43,126.43
Apr. 1, 1923	Apr. 1, 1943		3,039,369.03	4 1/2%	2 1/4%	M. T. E., N. Y.	\$133.34; \$100.00; \$1,000.00	3,039,369.03	2,000,000.00
Nov. 1, 1913	Nov. 1, 1943					\$2,906,535.69 L.	\$133.34; \$100.00; \$1,000.00		
Apr. 15, 1935	Apr. 15, 1945		2,750,000.00	4 1/2%	2 1/4%	M. T. E., N. Y.	\$750,000.00	750,000.00	1,218,199.97
June 15, 1925	June 15, 1945		2,500,000.00	4 1/2%	2 1/4%	M. T. E., N. Y.	\$1,000.00	1,821,669.06	
Jan. 15, 1926	Jan. 15, 1946		3,750,000.00	4 1/2%	2 1/4%	M. T. E., N. Y., L.	\$1,000.00; \$500.00; \$1,000.00	2,250,000.00	
Jan. 2, 1922	Jan. 1, 1947		3,846,000.00	5 1/2%	2 1/4%	M. T. E., N. Y.	\$1,000.00	3,750,000.00	
Mar. 1, 1932	Mar. 1, 1947		5,000,000.00	6 1/2%	2 1/4%	M. T. E., W. C. V.	\$1,000.00	1,846,000.00	
Jan. 1, 1923	Jan. 1, 1948		4,800,000.00	5 1/2%	2 1/4%	M. T. E., N. Y.	\$500.00; \$1,000.00	4,104,000.00	
Apr. 15, 1925	Apr. 15, 1950		3,740,000.00	5 1/2%	2 1/4%	M. T. E., N. Y.	\$1,000.00	4,800,000.00	
Oct. 1, 1931	Oct. 1, 1951		5,649,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V., N. Y.	\$1,000.00	3,272,000.00	
Apr. 1, 1922	Apr. 1, 1952		3,000,000.00	5 1/2%	2 1/4%	M. T. E., W. C. V.	\$1,000.00	3,000,000.00	
July 15, 1933	July 15, 1953		1,000,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V.	\$1,000.00	5,649,000.00	
Oct. 15, 1924	Oct. 15, 1954		1,000,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V.	\$1,000.00	3,000,000.00	
(b) Dec. 15, 1934	Dec. 15, 1949-54		3,000,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V.	\$500.00; \$1,000.00	1,000,000.00	
Jan. 15, 1925	Jan. 15, 1955		500,000.00	5%	2 1/4%	M. T. E., W. C. V.	\$100.00; \$500.00; \$1,000.00	2,125,000.00	875,000.00
Sept. 1, 1933	Sept. 1, 1955		2,850,000.00	5%	2 1/4%	M. T. E., W. C. V.	\$1,000.00	2,125,000.00	
Oct. 1, 1926	Oct. 1, 1956		6,000,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V.	\$500.00; \$1,000.00	500,000.00	
Jan. 15, 1927	Jan. 15, 1957		1,275,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V.	\$1,000.00	2,850,000.00	
Dec. 1, 1927	Dec. 1, 1957		1,850,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V., N. Y.	\$1,000.00	4,756,394.35	
July 16, 1928	July 16, 1958		3,500,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V., N. Y.	\$500.00; \$1,000.00	1,275,000.00	
Oct. 1, 1928	Oct. 1, 1958		5,915,000.00	4 1/2%	2 1/4%	M. T. E., W. C. V., L., N. Y.	\$1,000.00	1,850,000.00	
						M. T. E., W. C. V., L., N. Y.	\$500.00; \$1,000.00	2,808,000.00	692,000.00
								5,915,000.00	

(c) Jan. 1, 1909.....	7,400,000.00	5%	5%	L.	\$1,000.00	7,400,000.00	
Oct. 1, 1929.....	6,000,000.00	5%	5%	M., T., E., W., C., V., L., N.Y.	\$1,000.00; \$500.00; \$1,000.00	3,913,500.00	2,086,500.00
May 1, 1930.....	3,000,000.00	4½%	2½%	M., T., E., W., C., V., N.Y.	\$1,000.00; \$500.00; \$1,000.00	3,000,000.00	1,750,000.00
Apr. 1, 1931.....	5,000,000.00	4½%	2½%	M., T., E., W., C., V., N.Y.	\$1,000.00; \$500.00; \$1,000.00	3,250,000.00	
July 1, 1932.....	546,000.00	4½%	2½%	M., T., E., N.Y.	\$1,000.00	546,000.00	730,000.00
June 1, 1936.....	4,866,666.66	5%	2½%	L.	£1,000 Stock	4,136,666.66	
June 1, 1962-67	5,239,500.00	4½%	2½%	L.	\$1,364,500.00 E., V., Vic.		
June 1, 1967.....					\$3,875,000.00 M., T., E., Vic.		
Feb. 15, 1974.....	500,000.00	5%	2½%	E.	\$1,000.00	3,870,500.00	1,369,000.00
July 15, 1974.....	250,000.00	5%	2½%	E.	\$500,000.00	500,000.00	
June 15, 1975.....	130,000.00	5%	2½%	E., Vic.	\$250,000.00	250,000.00	
May 1, 1980.....	1,000,000.00	4½%	2½%	E.	\$130,000.00	130,000.00	
				E.	\$1,000,000.00	1,000,000.00	
Add: Debentures Past Due.....	\$113,102,174.44					\$ 92,379,236.10	\$ 20,722,938.34
	14,855,200.00					10,674,500.00	4,180,700.00
Less: Sinking Funds.....	\$127,957,374.44					\$103,053,736.10	\$ 24,903,638.34
	13,694,582.55					11,367,732.79	2,326,849.76
Sub-total.....	\$114,262,791.89					\$ 91,686,003.31	\$ 22,576,788.58
Treasury Bills:					Held by:		
Jan. 1, 1940.....	\$ 450,000.00	3½%		E.	Provincial Treasurer	\$ 450,000.00	
Jan. 15, 1941.....	209,000.00	3%		E., O.	Provincial Treasurer	209,000.00	
Jan. 15, 1940.....	4,509,000.00	3%		E., O.	Dominion of Canada	3,618,000.00	\$ 891,000.00
Feb. 1, 1941.....	500,000.00	3%		E., O.	Provincial Treasurer	500,000.00	
Feb. 1, 1941.....	4,678,000.00	3%		E., O.	Dominion of Canada	3,893,500.00	782,500.00
Apr. 15, 1941.....	1,946,000.00	3%		E., O.	Dominion of Canada	1,946,000.00	
June 1, 1941.....	2,448,000.00	3%		E., O.	Dominion of Canada	2,448,000.00	
Aug. 1, 1941.....	4,645,000.00	3%		E., O.	Dominion of Canada	4,645,000.00	
Sept. 1, 1941.....	468,750.00	3%		E., O.	Dominion of Canada	468,750.00	
Sept. 15, 1941.....	1,600,000.00	3%		E., O.	Provincial Treasurer	1,600,000.00	952,000.00
Oct. 1, 1941.....	6,192,000.00	3%		E., O.	Dominion of Canada	5,240,000.00	
Dec. 1, 1941.....							
Sub-total.....	\$ 28,145,750.00					\$ 25,520,250.00	\$ 2,625,500.00
Net Bonded Debt and Treasury Bills.....	\$142,408,541.89					\$117,206,253.31	\$ 25,202,288.58
SUMMARY:							
Debentures Past Due.....	\$ 14,855,200.00					\$ 10,674,500.00	\$ 4,180,700.00
Debentures and Stock Not Due.....	113,102,174.44					92,379,236.10	20,722,938.34
Treasury Bills.....	28,145,750.00					25,520,250.00	2,625,500.00
	\$156,103,124.44					\$128,573,986.10	\$ 27,529,138.34
Less: Sinking Funds.....	13,694,582.55					11,367,732.79	2,326,849.76
Net Bonded Debt and Treasury Bills.....	\$142,408,541.89					\$117,206,253.31	\$ 25,202,288.58

(a) Interest reduced in accordance with the provisions of Order-in-Council Number 734/36.

(b) \$5,000,000.00 authorized.

(c) Alberta and Great Waterways Railway First Mortgage Gold Debenture Bonds.

ABBREVIATIONS: M., Montreal; T., Toronto; O., Ottawa; E., Edmonton; W., Winnipeg; C., Calgary; V., Vancouver; Vic., Victoria; L., London; England, N.Y., New York, U.S.A.

STATEMENT No. 2
GOVERNMENT OF THE PROVINCE OF ALBERTA

ANALYSIS OF FUNDED AND UNFUNDED DEBT AS AT
DECEMBER 31, 1940

The net funded and unfunded debt as at December 31, 1940, amounted to \$148,327,414.03, made up as follows:

Funded debt.....	\$156,103,124.44	
Less: Sinking funds.....	13,694,582.55	
Net funded debt.....		\$142,408,541.89
Unfunded debt:		
Savings Certificates.....	\$ 5,001,655.29	
Superannuation Fund.....	3,005,871.04	
Miscellaneous.....	175,732.82	
	\$ 8,183,259.15	
Less: Cash and investments (book value).....	2,264,387.01	
Net unfunded debt.....		5,918,872.14
Net funded and unfunded debt.....		\$148,327,414.03
In order to arrive at the net general debt the following realizable or income producing assets may properly be deducted:		
Alberta Government Telephones plant and supplies (at cost).....	\$ 15,761,414.64	
Alberta Wheat Pool.....	3,876,944.09	
Loans to cities.....	2,660,860.59	
Working advances.....	1,044,656.43	
Miscellaneous.....	118,324.34	
		23,462,200.09
Net General Debt.....		\$124,865,213.94

STATEMENT No. 2—(Continued)

Net general debt is represented by expenditure on general assets at book values, consisting of:

Roads, Bridges and Ferries.....	\$ 41,924,569.03	
Public Buildings.....	18,566,672.62	
Public Works.....	847,694.85	
University of Alberta.....	4,769,399.65	
University Hospital.....	510,147.16	
Lethbridge Northern Irrigation District.....	7,086,253.31	
Miscellaneous.....	473,080.21	
		\$ 74,177,816.83
Loans and advances at book value, partially secured, subject to realization and provision for losses:		
Seed, Grain, Fodder and other agricultural relief advances.....	\$ 3,049,179.94	
Other loans and advances.....	2,776,205.91	
		5,825,385.85
Deferred charges and capital losses:		
Loss on sale of railways.....	\$ 11,444,499.47	
Alberta Government Telephones.....	8,652,896.61	
*Debenture Discount net.....	5,442,917.82	
Other items.....	20,843,592.27	
		46,383,906.17
		\$126,387,108.85
Less: Net reserve after deducting advances to Income Account.....		1,521,894.91
		\$124,865,213.94

*Includes Alberta Government Telephones.

STATEMENT No. 3

GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 1939,
AND DECEMBER 31, 1940

INCOME ACCOUNT

Particulars	Nine months ended		Increase or *decrease
	Dec. 31, 1940	Dec. 31, 1939	
Receipts:			
Dominion of Canada subsidies.....	\$ 893,737.50	\$ 893,737.50	
Taxes.....	7,218,213.02	7,045,286.23	\$172,926.79
Licenses.....	2,878,284.14	2,721,316.73	156,967.41
Fees.....	2,208,615.89	2,152,000.81	56,615.08
Fines and penalties.....	66,391.94	62,038.16	4,353.78
Profits from trading activities.....	1,973,917.29	1,917,034.60	56,882.69
Refunds of expenditure.....	1,763,894.62	1,737,461.49	26,433.13
From revenue producing assets.....	628,816.59	853,695.97	224,879.38*
Miscellaneous.....	41,690.93	57,239.59	15,548.66*
Suspense.....	185,286.95	180,257.91	5,029.04
Sub-total.....	\$17,858,848.87	\$17,620,068.99	\$238,779.88
Unemployment relief reimbursements.....	714,062.60	796,176.80	82,114.20*
Total receipts.....	\$18,572,911.47	\$18,416,245.79	\$156,665.68

Particulars	Nine months ended		Increase or *Decrease
	Dec. 31, 1940	Dec. 31, 1939	
Payments:			
Public Debt.....	\$ 2,704,141.05	\$ 2,824,359.05	\$120,218.00*
Executive Council.....	301,510.63	205,524.75	95,985.88
Legislation.....	86,148.93	94,053.04	7,904.11*
Agriculture Department.....	428,855.95	441,392.05	12,536.10*
Agriculture Department—			
Water Resources Branch.....	45,020.22	36,883.95	8,136.27
Attorney General's Department.....	482,634.43	463,364.41	19,270.02
Education Department.....	2,674,262.10	2,469,197.24	205,064.86
Municipal Affairs Department.....	244,260.44	242,154.82	2,105.62
Provincial Secretary's Dept.....	85,598.48	95,842.19	10,243.71*
Public Health Department.....	1,550,398.97	†1,873,499.73	323,100.76*
Public Works Department.....	2,267,483.38	2,083,067.50	184,415.88
Railways Branch.....	3,285.15	3,302.42	17.27*
Treasury Department.....	†2,914,219.34	2,360,909.31	553,310.03
Lands and Mines Department.....	518,722.86	583,094.43	64,371.57*
Trade and Industry Department.....	146,756.25	159,919.63	13,163.38*
Sub-total.....	\$14,453,298.18	\$13,936,564.52	\$516,733.66
Unemployment Relief.....	1,708,533.55	2,486,583.46	778,049.91*
Total payments.....	\$16,161,831.73	\$16,423,147.98	\$261,316.25*

†Includes payments under The Mothers' Allowance Act amounting to \$472,895.05, previously shown under .. Department of Public Health.

STATEMENT No. 4

GOVERNMENT OF THE PROVINCE OF ALBERTA

CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

INCOME ACCOUNT

GENERAL REVENUE FUND

Year ended December 31	Particulars	Revenue	Expenditure	Surplus* or Deficit
1905	Per Order-in-Council 966/11.....	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47*
1906	"	1,425,059.01	1,279,041.44	146,017.57*
1907	"	1,847,452.61	1,839,064.04	8,388.57*
1908	"	2,755,900.41	2,079,708.20	676,192.21*
1909	"	2,511,851.46	2,632,935.53	121,084.07
1910	"	2,071,773.94	3,696,826.86	1,625,052.92
1911	Per Public Accounts.....	\$ 11,248,013.00	\$ 11,677,597.17	\$ 429,584.17
1912	"	2,802,325.79	3,037,618.45	235,292.66
1913	"	3,419,381.52	3,353,258.48	66,123.04*
1914	"	4,519,345.19	4,409,795.18	109,550.01*
1915	"	4,350,836.79	4,446,160.31	95,323.52
1916	"	4,144,040.18	4,742,374.81	598,334.63
1917	"	4,228,974.28	5,006,903.08	778,018.80
1918	"	5,069,303.73	5,712,643.03	643,339.30
1919	"	6,283,336.15	7,132,119.21	848,783.06
1920	"	8,004,476.10	7,905,330.47	99,145.63*
1921	"	9,005,862.21	8,544,052.16	461,810.05*
1922	"	8,486,946.25	10,605,155.91	2,118,209.66
1923	"	9,324,889.73	11,235,192.22	1,910,302.49
1924	"	10,419,146.26	10,990,830.00	571,883.74
1925	"	10,506,627.13	11,127,468.55	620,841.42
1926	"	11,531,025.99	11,343,006.45	188,019.54*
1927	"	11,912,128.27	11,894,327.74	17,800.53*
1928	"	12,263,400.64	12,479,380.97	215,980.33
Year ended March 31:				
1928 (3 months)	"	3,886,495.04	3,390,751.58	495,743.46*
1929	"	15,265,083.77	13,686,260.68	1,578,823.09*
1930	"	15,829,865.22	15,402,884.57	426,980.65*
1931	"	15,710,962.44	18,017,543.54	2,306,581.10
1932	"	13,492,430.28	18,645,481.20	5,153,050.92
1933	"	15,426,264.94	17,533,785.97	2,107,521.03
1934	"	15,178,607.44	17,056,638.86	1,878,031.42
1935	"	15,697,770.48	17,435,821.37	1,738,050.89
1936	"	16,575,151.62	18,225,949.86	1,650,798.24
1937**	"	20,743,045.72	20,665,192.83	77,852.89*
1938**	"	24,127,805.54	21,359,739.46	2,768,066.08*
1939**	"	24,269,817.40	21,242,625.48	3,027,191.92*
1940**	"	24,410,039.54	21,922,189.04	2,487,850.50*
		\$358,133,398.64	\$370,228,168.63	\$ 12,094,769.99
Less:				
	Surplus arising from excess of income assets over income liabilities and adjustments			\$ 5,383,093.90
	Deficit, General Revenue Fund, March 31, 1940.....			\$ 6,711,676.09
	Add: Alberta Government Telephone deficit.....			1,570,100.18
	Income deficit, March 31, 1940.....			\$ 8,281,776.27

**Operating results after reduction of interest charges, suspension of sinking fund provision, and after including net expenditure for unemployment relief. In previous years, unemployment relief expenditure was capitalized.

STATEMENT No. 5
GOVERNMENT OF THE PROVINCE OF ALBERTA
COMPARATIVE STATEMENT OF AGRICULTURAL PRODUCTION FOR THE YEARS 1939 AND 1940

1939 (FINAL FIGURES)					1940 (PRELIMINARY FIGURES)				
Acres	Yield		Total Yield	Price	Value	GRAIN CROPS, ETC.		Total Yield	Price
	Per Acre	Bus.				Acres	Yield Per Acre		
8,379,000	19.3	161,400,000		\$0.52	\$83,928,000	8,667,000	21.6	187,000,000	\$0.48
2,706,000	31.4	85,000,000		0.22	18,700,000	1,115,000	38.9	103,000,000	0.18
1,114,000	23.2	27,000,000		0.29	7,830,000	1,177,000	28.7	32,000,000	0.24
1,888,000	12.7	2,400,000		0.40	960,000	42,000	16.9	3,000,000	0.26
81,900	9.6	275,000		1.38	380,000	28,000	10.1	425,000	1.00
23,300	27.0	537,000		0.25	135,000	25,000	27.7	800,000	0.23
900	21.0	19,000		1.40	27,000	1,200	19.2	23,000	1.40
800	18.0	14,000		1.60	22,000	600	16.7	10,000	2.00
12,443,800		276,665,000			\$111,986,000	12,676,700		326,258,000	
									\$117,421,000
ROOT CROPS					ROOT CROPS				
Acres	Yield		Total Yield	Price	Value	Acres	Yield		Total Yield
	Per Acre	Cwt.					Per Acre	Cwt.	
25,400	48.0	1,219,000		\$1.55	\$1,889,000	25,500	73.0	1,862,000	\$0.80
2,700	100.0	270,000		0.60	162,000	2,800	95.0	266,000	0.52
21,600	12.13	262,000		7.46	1,955,000	23,900	14.0	334,000	5.50*
49,700					\$4,006,000	52,200			\$3,465,000
FODDER CROPS					FODDER CROPS				
Acres	Yield		Total Yield	Price	Value	Acres	Yield		Total Yield
	Per Acre	Tons					Per Acre	Tons	
950,000	1.50	1,425,000		\$4.00	\$5,700,000	1,000,000	1.8	1,800,000	\$4.00
392,200	1.45	569,000		6.30	3,585,000	398,700	1.6	638,000	5.70
103,300	2.00	207,000		7.75	1,604,000	108,700	2.4	261,000	7.50
3,400	4.00	14,000		5.40	76,000	2,400	4.6	11,000	4.80
1,448,900		2,215,000			\$10,965,000	1,509,800		2,710,000	
									\$12,848,000

(* Initial Payment)

DAIRY PRODUCTS					
Production	Price Cents	Value	Production	Price Cents	Value
29,749,958	\$0.21	\$ 6,265,341	29,770,000	\$0.23	\$6,772,675
15,912,000	0.16	2,555,467	15,000,000	0.18	2,682,500
2,166,157	0.12	264,198	2,700,000	0.14	378,000
225,000	0.10	22,567	225,000	0.12	27,000
619,345	1.12	695,954	660,000	1.16	765,600
		8,266,206			8,902,525
		\$18,069,733			\$19,508,300

MISCELLANEOUS					
Production	Price		Production	Price	Value
Lbs.	Cents		Lbs.	Cents	\$
2,000,000	\$0.075		2,222,000	\$0.11	244,400
4,025,000	0.09		4,001,000	0.16	640,200
					7,618,900
					2,514,900
					42,000,000

SUMMARY				
ACREAGE UNDER CULTIVATION—		VALUE OF PRODUCTION—		
	1939	1940	1939	1940
Grain, Root and Fodder Crops	\$13,942,400	\$14,238,700	\$126,957,000	\$133,734,000
Summer fallow	4,636,400	4,932,700	18,069,733	19,508,300
New Breaking	339,800	304,200	41,228,582	53,018,400
TOTAL	\$18,918,600	\$19,525,600	\$186,255,315	\$206,260,700

STATEMENT No. 6
GOVERNMENT OF THE PROVINCE OF ALBERTA

GENERAL STATISTICS

AGRICULTURAL STATISTICS

Area—Land.....	159,232,000 acres
Water.....	4,150,400 "
Total.....	163,382,400 "

Area in square miles.....	255,285 sq. mi
Population, 1940 est.....	796,000
Area of National Parks.....	13,434,240 acres
Area of Forest Reserves.....	12,436,500 "
Area of Surveyed Tract.....	87,889,701 "
Area of Irrigation Tract.....	3,354,080 "
Area Irrigable.....	884,683 "
Area Irrigated.....	378,342 "
Agricultural Area.....	97,123,000 "
Area in Occupied Farms.....	40,539,934 "
Number of Farms.....	100,358 "

Average Value of Farm Property
per acre:

1921.....	\$28.00
1936.....	16.00
1937.....	16.00
1938.....	15.00
1939.....	16.00
1940.....	16.00

Acreage under Cultivation:

1906.....	659,981 acres
1936.....	18,108,338 "
1937.....	18,312,220 "
1938.....	18,391,600 "
1939.....	18,918,600 "
1940.....	19,525,600 "

Acreage under Wheat:

1906.....	177,127 acres
1936.....	7,537,200 "
1937.....	7,834,000 "
1938.....	7,969,000 "
1939.....	8,379,000 "
1940.....	8,667,000 "

Value of Agricultural Production:

1906.....	\$ 16,428,205
1936.....	160,971,490
1937.....	192,439,195
1938.....	175,640,815
1939.....	185,867,613
1940.....	202,260,700

Creamery Butter Manufactured:

1906.....	1,960,356 lbs.
1936.....	25,491,105 "
1937.....	26,323,562 "
1938.....	31,242,357 "
1939.....	29,749,958 "
1940.....	29,770,000 "

Live Stock, 1940:

Horses.....	657,900 No.
Milch Cows.....	416,800 "
Other Cattle.....	949,100 "
Sheep.....	882,600 "
Swine.....	1,371,100 "
Poultry.....	7,697,900 "

Shipments of Cattle from Alberta:

1936.....	317,054 head
1937.....	258,528 "
1938.....	192,796 "
1939.....	190,201 "
1940.....	177,100 "

Hog Marketings:

1936.....	1,039,466 head
1937.....	980,272 "
1938.....	782,857 "
1939.....	979,898 "
1940.....	1,485,382 "

NATURAL RESOURCES STATISTICS

Estimated coal area, over 16,500 square miles,
with coal reserves over 1,000 million tons.

Coal Production:

1906.....	1,385,000 tons
1936.....	5,696,375 "
1937.....	5,551,682 "
1938.....	5,230,025 "
1939.....	5,518,105 "
1940.....	6,205,088 "

Petroleum Production:

1924.....	844 bbls.
1936.....	1,320,442 "
1937.....	2,798,008 "
1938.....	6,742,039 "
1939.....	7,594,411 "
1940.....	8,493,237 "

Natural Gas Production:

1921.....	4,945,884 m.c.f.
1936.....	19,128,345 "
1937.....	26,841,760 "
1938.....	26,849,828 "
1939.....	23,286,434 "
1940.....	26,402,299 "

Value of Commercial Fisheries
Production:

1921.....	\$408,868
1936.....	313,743
1937.....	447,345
1938.....	518,792
1939.....	457,835
1940 Estimated.....	455,000

Value of Mineral Production:

1907.....	\$ 4,657,524
1936.....	23,305,726
1937.....	25,597,117
1938.....	28,966,272
1939.....	30,691,617
1940 Estimated.....	34,500,000

OTHER STATISTICS

Manufacturing Industries, 1938:

Establishments.....	No. 970
Capital Invested.....	\$ 69,192,348
Employees.....	No. 12,684
Salaries and Wages.....	\$ 14,367,789
Value of Products.....	86,675,500

Railway Mileage:

1906.....	1,060 miles
1936.....	5,785 "
1937.....	5,792 "
1938.....	5,792 "
1939.....	5,819 "

STATEMENT No. 6—(Continued)

GENERAL STATISTICS

Schools in Operation:

1921.....	2,746
1936.....	3,542
1937.....	3,591
1938.....	3,592
1939.....	3,596

Motor Vehicles:

1911.....	1,631
1936.....	97,468
1937.....	100,434
1938.....	107,191
1939.....	113,702
1940 Estimated.....	118,062

Hard Surfaced Highways:

1921.....	17 miles
1936.....	2,307 "
1937.....	3,002 "
1938.....	3,095 "
1939.....	3,457 "
1940.....	3,494 "

Bank Clearings:

1922.....	\$546,227,960
1936.....	538,913,234
1937.....	550,324,627
1938.....	539,608,066
1939.....	521,541,889
1940.....	547,610,169

Bank Debits:

1924.....	\$1,092,062,297
1936.....	1,096,155,091
1937.....	1,155,136,641
1938.....	1,166,319,940
1939.....	1,216,363,920
1940.....	1,407,066,802

Construction Industry—Contracts
Awarded:

1924.....	\$ 6,600,400 value
1936.....	6,297,400 "
1937.....	4,901,000 "
1938.....	8,180,000 "
1939.....	5,234,900 "
1940.....	23,940,100 "

